

189—16.3 (533) Additional requirements. In addition to the plan, the credit unions must include the most current monthly financial statements from both credit unions and a copy of the proposed voting ballot.

16.3(1) Membership notice and voting requirements shall be the same as for regular mergers under rule 189—12.6(533), with certain exceptions. Only those members directly affected by a spin-off, that is, those members whose shares are to be transferred to the other credit union, are permitted to vote. A quorum is determined according to the quorum size for the credit union as a whole. In the notice of balloting sent to the members affiliated with any affected branch and field of membership, the credit union shall give notice of the right of any member who wants to remain as a member of the credit union to opt out of participating in the merger vote by giving written notice to the credit union at any time prior to the merger vote. The shares of members who opt out will not be transferred in the event the merger vote is successful. All other members of the group to be spun off, whether they voted in favor, against, or not at all, will be transferred if the spin-off is approved by the voting membership.

16.3(2) Members of the credit union who are not affiliated with the branch and field of membership being spun off and whose shares are not being transferred will not be afforded the opportunity to vote.

16.3(3) Spin-offs involving federally insured credit unions in different regions of the National Credit Union Administration must be approved by all regional directors where the credit unions are headquartered and by state regulators, as applicable.

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